

Rochester Land Bank Corporation

Meeting Minutes

June 18, 2015

City Hall, Rm. #223-B

30 Church Street,

Rochester, NY 14614

Board Members Present: Andrea Guzzetta, Kim Jones, Dana Miller, George Parker, Kate Washington, Carol Wheeler

Board Members Absent: Gary Kirkmire

Non-Board Members Present: Maritza Mejias, Rianne Mitchell, Kathy Sheets, Tom Warth

The meeting was called to order at 3:05 pm by Carol Wheeler, Board Chair.

The minutes from the last meeting were distributed. Kate Washington moved that the minutes be approved. George Parker seconded. The motion was approved by the board.

Kathy Sheets gave an overview of the Land Bank's Consolidated Funding Application. This year's process includes 11 state agencies and 32 funding programs. The Land Bank will be submitting an application for the Office of Parks, Recreation & Historic Preservation for the Environmental Preservation Fund to access funding that would not be available to the City. The proposed project is the Pulaski Library Pre-Development Remediation and Stabilization. The building has been vacant since the Pulaski Library was decommissioned in 1994. It was offered via RFP three times and ultimately sold to Group 14621 in 2002, with the intent that it be converted to a computer training center. The building was added to the national register of historic places in the same year. More than \$500,000 of funding from multiple sources was awarded for the project, but the organization was unable to secure the required matching funds. In 2012, the City regained control of the property. Asbestos removal was accomplished as part of the Capital Improvement Program. The City made a CFA request for the project in 2013, but did not receive funding. Subsequent vandalism, the theft of the building's copper including its Yankee gutters, resulted in significant water infiltration and the need for mold remediation. The Land Bank's application includes the remaining environmental remediation required. It is requesting the maximum grant amount of \$500,000. The City has agreed to contribute \$500,000 and the Land Bank's portion is budgeted at \$30,000. The political will for land banks at the state level gives added support to the application. The deadline for submission is July 31, 2015.

George Parker asked whether, recognizing the historical significance of the building, the City has coordinated with neighborhood organizations to collect other ideas for re-use. Kathy Sheets explained that since the City regained control of the building it had conducted a Developers' Forum, commissioned a building assessment prioritizing the needed repairs and estimated costs, and issued another RFP. Finding the right developer and proposal will require serious marketing efforts, but the building is not currently marketable as it is unsafe to enter. The census block where the property is located is considered an "Impoverished Area" by the OPRHP as the poverty rate is above 10%. It is, in fact, more than double that rate, which makes locating a private developer challenging. George asked whether the expectation was that the Land Bank would flip the property

back to the City after the project was completed. Kathy answered that the EPF grant requires that the property be held by the Land Bank. As a "historic resource," any end use of the building will have to meet SHPO guidelines. George Parker asked if that would include retaining the *Yankee* gutters. Kathy answered that it would unless the OPRHP granted some sort of dispensation. George Parker said that it was unfortunate that a reuse had not yet been identified. He asked whether City Council had discussed a desired outcome. Dana Miller answered that Council put its trust in the Land Bank to find the appropriate use. Kathy Sheets noted that at the same intersection the Benjamin Franklin Educational Campus, including the new location of School #22 was on one corner; St. Stanislaus Church, a local landmark that had been restored using private funds, was on another corner; and on the other corner was a gas station. Hudson Avenue had been the subject of a corridor study that was put on hold when it ran out of funds. Pending the results of the study a placeholder zoning of R-1 had been put in place, limiting commercial development. The most successful proposals from the last round of RFP's had been for residential units. A developer had received a preliminary decision from SHPO.

George Parker asked how the Pulaski Library had been chosen as the targeted project and what other projects that had been considered. Kathy Sheets explained that no other historical restoration opportunities were currently reachable by the Land Bank. Tom Warth asked if the census block's designation of an Impoverished Area had factored into the decision. Kathy Sheets noted that it was a plus, but the project was more of a priority because of the urgency of its condition. Early in the Land Bank's decision making process, the Main Street funding program had been considered. However, the program is reserved for mixed use buildings and most successful grants are grant programs with identified developers. The Land Bank had also considered a single family structure in the Susan B. Anthony historic district, but the structure itself was not in the state or national historical register and therefore was not qualified under the EPF Historical Preservation grant. George asked what downside the project might have for the Land Bank. Kim Jones noted that the Land Bank would need to insure the building at a cost. Kathy Sheets added that utilities would also be a part of the carrying costs, but the City would be responsible for them under the Shared Services agreement. Andrea Guzzetta asked how confident we were in finding an end user for the building. Kathy Sheets answered that serious proposals had been received, but they had longer timelines. The proposed CFA project will take a big chunk out of development costs making a wider range of projects possible. George Parker indicated that he would be more comfortable if the building was marketed during the course of the project. Dana Miller asked if we thought the roof, mold remediation and stabilization were reachable within the program parameters. Kate Washington asked about the timeframe for taking care of the environmental concerns. Kathy Sheets explained that the EPF grant requires project completion within two years. A mold survey and building condition survey had already been completed, but the remediation and interior stabilization work would have to happen concurrently for safety reasons. George Parker asked if it was possible to issue an RFP to identify an end user now so as to have some assurance that the building would be put back to productive use. Carol Wheeler indicated that she was aware both Mark Greisberger of Providence Housing and Monica McCullough of Path Stone had expressed interest.

Andrea Guzzetta asked for the worst case scenario if no one wanted the building after the grant project was completed. Would we need to demolish the building and would it be possible at that point? Kathy Sheets noted that there was significant public outcry when the City demolished the Cataract St Brewery and that building had not been owned by the City. There have been no demolitions of noted historic properties since that time. Pulaski Library has been designated one of the Landmark Society's "5 to Revive." George Parker suggested that

it make sense to enlist the help of the Landmark Society and the Regional Economic Development Council in marketing and identifying potential developers. Kathy Sheet explained that the FLEDC would be the first reviewers of the CFA application and assured the board that the Landmark Society was in favor of the project and would be writing a letter of support to be included in the application. They would certainly be partners throughout the project. Kim Jones asked if the worst case scenario occurred and the project could not be completed whether the funds could be used for some other historic property. Kathy Sheets warned that the Land Bank would need to make a very persuasive argument and find a suitable property that met the eligibility requirements. Tom Warth offered the encouraging information that QVI, a manufacturing plant also located on Hudson Avenue, had successfully petitioned to have its zoning changed to allow it to expand their plant. This is private industrial development in the area that provides 310 jobs.

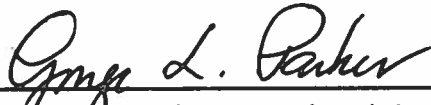
The next item discussed was the form of organization of the New York Land Bank Association. Tom Warth gave the background that the attorney for the Syracuse Land Bank, who was poised to take on the role of legal counsel for the association, had prepared an Unincorporated Association Agreement. Scott Smith had expressed the opinion that such an organization would leave the individual Land Banks open to liability. Kathy Sheets further clarified that the Syracuse Land Bank's attorney saw the time and effort necessary to prepare a Form 1023 as a major impediment to the Association incorporating, but that Scott had volunteered to prepare a 501(c)3 application on the Association's behalf. George Parker said that he was under the impression that the board had already agreed to a short-term commitment to join the NYLBA as a member of an unincorporated association. He asked if the association was still intended to be a lobbying organization, as that would invalidate it for 501(c)3 recognition. Tom Warth asked if this was the case even if the organization had no paid lobbyist. George Parker answered that if the organization's primary purpose is lobbying, it didn't matter if no one was receiving a salary for lobbying activities. Andrea Guzzetta added that any staff time devoted to lobbying would have to be reported to the state even if it was not the employee's primary role. George Parker suggested that Scott Smith may look at NYLBA's activities as advocacy rather than lobbying. Kathy Sheets asked what the Land Bank's next step should be. Tom Warth volunteered to find out how the question arose. Carol Wheeler asked whether there was a time component to the question. Kathy explained that the other land banks were now on hold waiting the Form 1023 to be completed by Rochester. She understood Scott Smith was concerned about the potential liability to the constituent land banks, but asked George Parker if he would use his expertise in Not-for-Profit law to provide some further guidance on the most advantageous form of organization and the feasibility of Rochester's legal counsel, who were also and primarily Municipal Attorneys, preparing the tax exemption application for the association. George agreed to participate in a conference call with the Land Bank's legal counsel. Carol Wheeler asked for an update at the next board meeting.

Dana Miller then made a motion to enter into executive session to discuss real estate sale negotiations. Andrea Guzzetta seconded the motion and the board entered executive session. The board returned to open session at 4:08 pm. Kate Washington moved that the board authorize the Executive Director, or her designee, to negotiate for the purchase of two properties with the intended disposition that they be offered to a qualified not-for profit developer for rehabilitation and sale to owner-occupants or directly to owner occupants via a lottery process. Kim Jones seconded and the board voted to approve the motion.

Kathy Sheets then gave the board the update that one of the two amendments to the Land Bank Act supported by NYLBA that had been introduced during the current state legislative session had passed in both the State

Senate and the Assembly. The amendment exempts land banks from recording fees and the disposition requirements of Public Authority Law. The bill now awaits the governor's signature.

The meeting was adjourned at 4:12 pm.

ATTEST: 
George Parker – Secretary, Rochester Land Bank Corporation